

Message Text

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SUBJECT: SODESUCRE'S VIEWS ON LANG AND FUTURE AMERICAN PARTICIPATION IN SUGAR REFINERY CONSTRUCTION IN IVORY COAST

SUMMARY: IN LENGTHY CONVERSATION WITH KIGBAFORO, DIRECTOR GENERAL OF SODESUCRE, WE HEARD "HIS SIDE" OF DISPUTE WITH LANG. IN TIME AVAILABLE HE COUNTED MUCH OF WHAT WE HAVE HEARD FROM LANG REGARDING SODESUCRE SHORTCOMINGS. HE WAS VERY NEGATIVE ON ANY POSSIBILITY OF PAYING LANG \$50,000 PER WEEK TO COMPLETE JOB. HE WOULD NOT BE DRAWN OUT ON WHAT WOULD HAPPEN IF LANG WITHDREW IN ABSENCE OF FUNDS. HE WELCOMED POSSIBLE EMBASSY ASSISTANCE IN GETTING INFORMATION ABOUT AMERICAN FIRMS INTERESTED IN FUTURE SUGAR CONSTRUCTION PRIOR TO SIGNING CONTRACTS WITH THEM.

1. AMBASSADOR HAD LONG-DELAYED SESSION WITH KIGBAFORO, DIRECTOR-GENERAL OF SODESUCRE, LAST WEEK, FOLLOWING BRIEF CONVERSATION WITH HIM DURING OPIC VISIT. KIGBAFORO WAS ANXIOUS TO PRESENT "HIS SIDE" OF LANG'S SODESUCRE STORY.

2. KIGBAFORO WENT INTO SO-CALLED DETAIL ABOUT LANG'S FAILURE TO STICK TO THE TERMS OF THE CONTRACT OR TO ANY OF ITS ORAL PROMISES REGARDING DEADLINES AND WORK REQUIREMENTS. EACH DELAY, BLAMED ON LANG, COST GOIC MORE MONEY.

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HE CLAIMED THAT LANG NEVER MET A SINGLE ONE OF ITS OWN

DEADLINES AND NEVER HAD ENOUGH MONEY TO FINISH THE JOB.
HE SUGGESTED THAT SODESUCRE WAS TEMPTED MORE THAN A YEAR
AGO TO BREAK OFF THE CONTRACT BUT DID NOT NOT DO SO FOR FEAR
OF HURING RELATIONS BETWEEN IVORY COAST AND USA.

3. HE NOTED LANG'S CLAIM THAT SODESUCRE'S STAFF WAS INCOMPETENT
AND ALSO INTERFERED WITH THE CONSTRUCTION OF THE REFINERY.
KIGBAFOROY SAID THIS PROVED SODESUCRE'S POINT THAT HE HAD TO EN-
GAGE OUTSIDE CONSULTANTS TO GET THE JOB DONE AND TO MEET CRITICAL
DEADLINES OF THE FIRST SUGAR CROP.

4. SODESUCRE, HE SAID, NEVER WANTED A STRICT INTERPRETATION OF
THE CONTRACT, EVEN THOUGH LANG WAS CONSTANTLY AT FAULT, BECAUSE
SODESUCRE WAS SURE IT COULD NOT BE INDEMNIFIED BY A COMPANY THAT
WAS CONSTANTLY RUNNING OUT OF MONEY.

5. HE CITED NUMEROUS EXAMPLES OF LANG'S SHORTCOMINGS AND WAS
PREPARED TO CITE MORE. HE WAS HIGHLY CRITICAL OF LATEST LANG
SUBMISSION SUMMARIZING INVOICES THAT LANG CLAIMS AREMFEU AND
UNPAID. PRACTICALLY ALL OF THEM, HE SAID, ARE FOR ITEMS FOR WHICH
LANG HAS SUBMITTED INSUFFICIENT JUSTIFICATION, OR WHICH ARE IN
DISPUTE AND THEREFORE SUBJECT TO LITIGATION, NOT IMMEDIATE PAY-
MENT. THUS, AND THIS WAS THE KEY POINT, HE SAW LITTLE POSSIBILITY
OF PAYING LANG \$50,000 PER WEEK INDEFINITELY AGAINST THESE "CLAIMS",
BECAUSE HE HAD NO BUDGET ITEM AGAINST WHICH TO CHARGE THEM.

6 WHEN AMBASSADOR ASKED WHAT WOULD HAPPEN IF LANG WITHDREW AT
THIS TIME IN ABSENCE OF FUNDS, KIGBAFOROY SAID HE WOULD HAVE TO
CONSULT WITH MINISTER (PRESUMABLY SAWADOGO, MINAG) AS TO WHAT TO
DO. HE ACKNOWLEDGED THAT SUCH A WITHDRAWAL WAS A DISTINCT POS-
SIBILITY. AS IT IS, HE SAID, WORK HAS SLOWED DOWN, IN PART
BECAUSE LANG'S STAFF IS INADEQUATE IN QUALITY AND NUMBERS, BUT HE
DID NOT HINT AT ALTERNATIVE (REFTEL PARAS 4 AND 5).

7. KIGBAFOROY IS AWAITING VISIT OF DAVID MORSE'S FACT-FINDER
AND HOPES FOR SOLUTION. HE RECOGNIZES THAT FACT-FINDING MAY
TAKE SOME TIME, SINCE THERE ARE SO MANY RECORDS AND CONTRADICTORY
STORIES TO REVIEW.

8. AMBASSADOR ALSO TOOK OCCASION TO SUGGEST THAT NOW AND IN
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FUTURE, IT MIGHT BE USEFUL TO SODESUCRE FOR KIGBAFOROY TO SEEK IN-
FORMATION FROM EMBASSY ABOUT VIABILITY AND CAPABILITY OF AMERICAN
FIRMS PRIOR TO SIGNING BIG CONTRACTS WITH THEM. ALTHOUGH AMBAS-
SADOR MADE CLEAR THAT USG COULD NOT GUARANTEE OR RECOMMEND FIRMS,
WE COULD GIVE HIM BACKGROUND INFORMATION ON BASIS OF WHICH HE
WOULD BE IN BETTER POSITION TO MAKE DECISIONS. KIGBAFOROY WEL-
COMED THIS OFFER AND PROMISED TO BE IN TOUCH SHORTLY FOR ASSISTANCE.

9. COMMENT: KIGBAFORO WAS AGREEABLE AND CANDID, DESPITE THE FACT THAT HE IS CLEARLY FED UP WITH LANG'S TOTAL PERFORMANCE AND ATTITUDES. HE APPEARED UNBUDGABLE ON ADDITIONAL FUNDING (APART FROM A PAYMENT OF ABOUT \$25,000 WHICH WAS MADE ON APRIL 10 AGAINST AGREED INVOICES). AT THE SAME TIME, HE STILL WANTS TO WORK WITH QUALIFIED AMERICAN FIRMS AND WANTS OUR HELP IN EVALUATING THEM, EMBASSY SENDING FURTHER COMMUNICATIONS TO DEP5. ON THIS SUBJECT, IN MEANTIME WOULD APPRECIATE RESPONSE REFTEL PARA 5 INQUIRE RE EXIM.
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